United Nations E/CN.17/1998/14

Economic and Social Council

Distr.: General
25 March 1998

Original: English

Commission on Sustainable Development
Sixth session
30 April-1 May 1998

Report of the Inter-sessional Ad Hoc Working Group on Industry and Sustainable Development

(New York, 2-6 March 1998)

Contents

		Paragraphs	Page
I.	Introduction	1–2	3
II.	Industry and sustainable development	3–69	3
	A. Background	3–5	3
	B. General recommendations	6–16	3
	C. Recommendations for Governments	17–41	5
	D. Recommendations for industry	42–49	7
	E. Recommendations for the international community	50–66	8
	F. Future work	67–69	10
III.	Guidelines for sustainable consumption	70–74	10
IV.	Organizational matters	75–83	11
	A. Opening and duration of the session	75–76	11
	B. Attendance	77	11
	C. Election	78–79	11
	D. Agenda and organization of work	80	11
	E. Documentation	81	11
	F. Adoption of the report of the working group	82–83	11

98-09258 (E) 150498 170498

Annex

List of participants 12

I. Introduction

1. The Inter-sessional Ad Hoc Working Group on Industry and Sustainable Development met (New York, 2-6 March 1998) in preparation for consideration of the issue of industry and sustainable development by the Commission on Sustainable Development at its sixth session (New York, 20 April-1 May 1998). Its discussions were based on the recommendations and proposals for action contained in the relevant reports of the Secretary-General (E/CN.17/1998/4 and Add. 1-3). The Working Group also considered the issue of guidelines for sustainable consumption, in particular the outcome of the Interregional Expert Group Meeting on Consumer Protection and Sustainable Consumption (São Paolo, Brazil, 28-30 January) (E/CN.17/1998/5).

2. The outcome of the Working Group meeting is not a negotiated text, although its contents were thoroughly discussed. In accordance with the expert nature of the Working Group and the functions assigned to it, the present report focuses on key issues and conclusions and suggests elements and policy options for further consideration and negotiation during the sixth session of the Commission on Sustainable Development.

II. Industry and sustainable development

A. Background

3. Agenda 21[1] and the Rio Declaration on Environment and Development[2] provide the fundamental framework for further policy discussion and action on matters related to industry and sustainable development. Although the role of business and industry, as a major group, is specifically addressed in chapter 30, issues related to industry and economic development, consumption and production patterns, social development and environmental protection cut across the entirety of Agenda 21, including its section 4, Means of implementation.

4. Poverty eradication is central to sustainable development strategies, and industry has a key role to play in this respect. Sustainable industrial policy encompasses a variety of interrelated economic, social and environmental objectives, including the encouragement of an open, competitive economy, the creation of productive employment in order to provide sustained increases in household income and social development, and the protection of the natural environment through the efficient use of resources. In order to achieve the objectives of sustainable development, Governments need to integrate economic, social and environmental concerns into their policy and regulatory frameworks, and industry needs to promote sustainable development through sustainable consumption and production and responsible entrepreneurship, in accordance with country-specific conditions.

5. Increasing industrialization and per capita levels of production have led to a corresponding increase in the impact of industrial activities on the environment and health. At the local level, industrial emissions contribute to urban air pollution and the contamination of soil and water. At the regional level, the impact of such emissions includes acid rain, water contamination and the contamination of coastal zones. The major impact at the global level includes climate change, depletion of the ozone layer and the loss of biological diversity. These environmental challenges will be more and more shaped by growing resource and energy demands, and the issues (like climate change) cannot be dealt with by end-of-pipe regulation alone. Hence, the promotion of cleaner production and improvements in environmental performance and environmentally sound technologies and products are becoming increasingly important. Some businesses and industries have taken significant first steps to develop, implement and improve their policies and practices to promote sustainable development. The implementation of environmental management systems and practices in industry are, therefore, important. The way in which companies are able to respond efficiently and effectively to these challenges is seen as a cornerstone in the necessary innovation process.

B. General recommendations

6. Further action is needed to adjust policy approaches that have unintended adverse environmental or social effects and to establish a policy framework that fosters sustainability, including encouragement to companies of all sizes and in all sectors to integrate sustainable development into their business strategies, planning and operations. At the macroeconomic level environmental protection and "eco-management" can contribute to the modernization of the economy and to creating and securing jobs in industry.

7. Governments are encouraged to develop enabling policy environments and undertake reforms that provide more consistent economic and other incentives and disincentives to make markets work better and encourage business and industry to move faster towards sustainable

development. Some policy instruments used in developed countries might be useful for the more advanced developing countries. For others at the early stages of industrialization, there are opportunities to integrate sustainability from the outset. For developing countries, particularly the least developed countries, further efforts, supported by international cooperation, will need to be made in order to encourage capacity-building and investment in sustainable industrial development.

8. Since the role of the private sector has expanded in most economies, effective sustainable development policies require constructive dialogue and partnerships between Government at all levels, industry, trade unions and civil society, including women's organizations. There is need to build and extend this dialogue. There are many good examples of the new partnerships that are required. They include partnerships between government and industry to tackle global challenges like climate change, partnerships between companies in developed and developing countries to create and spread cleaner technologies and improved environmental management, partnerships at national and local levels between companies and all of their stakeholders, and increased dialogue between industry and the United Nations system.

9. Consistent with Agenda 21, the development and further elaboration of national policies and strategies and integrated approaches, particularly in industrialized countries, are needed to encourage changes in unsustainable consumption and production patterns, while strengthening, as appropriate, international approaches and policies that promote sustainable consumption patterns on the basis of the principle of common but differentiated responsibilities, applying the "polluter pays" principle and encouraging producer responsibility and greater consumer awareness.

10. Governments, industry and organizations of civil society should, as appropriate, use the media, advertising, marketing and other means to promote greater producer and consumer awareness of sustainable development in order to encourage a shift to more sustainable consumption and production patterns. Industrialized countries should take the lead in this process.

11. Sustainable development should be encouraged with continuous innovation and the adoption of environmentally sound technologies to change current production and consumption patterns. The challenge is to implement measures that will have a significant long-term impact on preventing and mitigating pollution and resource consumption alongside continued growth in gross domestic product (GDP). Eco-efficiency, cost internalization and policies for products and services are important tools for making consumption and production patterns more sustainable.

12. Foreign investment can play a significant and positive role in achieving sustainable development – for example, through the diffusion of environmentally sound technologies, including environmental management techniques and tools, and in capacity-building and poverty alleviation through employment generation. It can, however, contribute to environmental problems when undertaken with inadequate regard to environmental, economic and social consequences. Consideration should be given to an assessment of the implications for sustainable development of foreign investment.

13. Business and industry should be encouraged to develop and implement voluntary guidelines and codes of conduct which can help to promote and disseminate best practices in environmentally and socially responsible entrepreneurship, and to develop further those that already exist. To be effective, business and industry need to develop and implement such codes by themselves, for that will ensure their commitment to the process. Equally important, their credibility with stakeholders requires that the codes stimulate positive action that goes well beyond "business as usual". Therefore, an essential element is transparency in monitoring and public reporting of progress.

14. Governments at all levels, industry, trade unions and other organizations of civil society, in particular women's organizations, should work together towards the elimination of discrimination against women in employment, education, property ownership and access to credit and to ensure that women have effective equal access to economic opportunities and social participation. Governments should ensure that their social and industrial policies are gender-sensitive.

15. Particular efforts are needed to promote small and medium-sized enterprises and entrepreneurial potential, in, *inter alia*, the informal sector in developing countries. Sustainable development requirements need to be translated into concrete action for small and medium-sized enterprises. Governments, with the support of the international community, as appropriate, can develop policy frameworks to support investment, including the provision of micro-credit, and access to technology know-how and training. Large companies and transnational corporations can provide support by working through the supply chain, including local suppliers.

16. Training should be utilized by all sectors and societies to promote cleaner production. The training should stress the

integration of economic, social and environmental matters as government, industry and civil society implement the policies and programmes.

C. Recommendations for Governments

17. Within a supportive international environment, Governments should create an enabling policy environment in order to encourage domestic private enterprise and economy-wide competitiveness through improvements in infrastructure and educational, financial and legal institutions; encourage research and development; and facilitate exports and the liberalization of domestic markets. These reforms can encourage investment, innovation, diffusion of technology and more efficient use of resources.

18. Governments should continue to promote the integration of environmental and industrial policies, with emphasis on the preventive approach. Governments need to adopt policies and regulations that set clear environmental goals and objectives for industry through strategic environmental policies at the national and subnational levels. They also need to develop and promote appropriate policy frameworks to help mobilize the full range of domestic and foreign resources from all sectors, including industry, in support of sustainable development.

19. Since not all developing countries can attract adequate levels of foreign direct investment (FDI) for their industrial development, official development assistance (ODA) remains a main source of external funding for them, particularly in Africa and in the least developed countries. ODA plays a significant role, *inter alia*, in capacity-building, infrastructure, poverty alleviation and environmental protection in developing countries, and a crucial role in the least developed countries.

20. Development strategies should encompass ODA and should include the effective use of all possible means of promoting sustainable development and the facilitation of private investment, trade, technology transfer, and utilization of science and technology, tailored to the specific conditions and needs in each country. It is urgent that measures be taken to foster and improve capacity-building over the long term.

21. While not replacing ODA, FDI offers developing countries and economies in transition access to additional capital, new technologies, organization and management methods, and markets as well as opportunities to exploit complementarities between domestic and foreign investment. A stable policy environment is necessary to attract FDI and to ensure confidence among domestic entrepreneurs and foreign investors. Ways and means of encouraging FDI flows between developing countries should be explored.

22. Governments in developed countries should encourage FDI to assist developing countries and economies in transition in their development in a way friendly to the environment and supportive of sustainable development. The commitment of foreign investors to sustainable development is required while they pursue their commercial interests.

23. To ensure that such investments are supportive of sustainable development objectives, it is essential that the national Governments of recipient countries provide appropriate regulatory frameworks and incentives for private investment, including those that promote the availability of micro-credit. Therefore, further work should be undertaken on the design of appropriate policies and measures aimed at promoting long-term investment flows to developing countries for activities that increase their productive capability and at reducing the volatility of those flows.

24. When devising and implementing environmental regulatory frameworks, Governments should seek to ensure that such frameworks encourage, as appropriate, private sector activities that promote sustainable development. The traditional method of command and control, based on effluent and emission standards should be developed or modified, as appropriate, with ample participation of industry and civil society, to become an enabling factor and the basis for a judicious mix of economic instruments, voluntary industry initiatives and public and private partnerships.

25. There is need for making existing subsidies more transparent in order to increase public awareness of their actual economic, social and environmental impacts, and for reforming or, where appropriate, removing them. Further national and international research in this area should be promoted in order to assist Governments in identifying and considering phasing-out subsidies that are market-distorting and have socially and environmentally damaging impacts. Subsidy reductions should take full account of the specific conditions and the different levels of development of individual countries and should consider potentially regressive impacts, particularly on developing countries. In addition, it would be desirable to use international cooperation and coordination to promote the reduction of subsidies where they have important implications for competitiveness.

26. Governments should encourage the implementation of environmental management systems. In order to widely disseminate environmental management concepts in small and medium-sized enterprises, especially in developing

countries, the instruments and methods of environmental management have to be adapted to their specific capacities and needs, making them easier to apply and less costly. Networks of intermediaries who can assist small and medium-sized enterprises in improving their environmental performance should be encouraged.

27. Governments, at the national level, are encouraged to address the issue of occupational health and safety standards in small and medium-sized enterprises and in industry.

28. Increased efforts are needed by Governments, in cooperation with industry, trade unions and civil society, to ensure universal compliance by industry, including informal enterprises, of core labour standards as contained in the Conventions of the International Labour Organization (ILO). Such standards include freedom of association, the right of collective bargaining, prohibition of forced and child labour, and non-discrimination in employment.

29. Governments can set a good example and create a market for more environmentally friendly products and services by providing, as appropriate, adequate infrastructure, establishing goals on procurement that take account of environmental factors, and encouraging all relevant governmental bodies to introduce environmental management systems. Governments can improve the quality of information on the environmental impact of products and services and, to that end, encourage the voluntary and transparent use of eco-labelling.

30. Social objectives should be an integral part of sustainable development, and the over-riding social policy challenge for government and industry is to promote the positive impacts of industrial activities on social development, while limiting or eliminating the negative impacts. This can be achieved by various means, in particular through improved access to education and health care. Governments should give priority to ensuring universal access to basic education and to expanding access to secondary education. Tax incentives, for example, may be useful to encourage companies to invest in training and education for their workers. Governments and civil society should also address the problem of rapidly expanding labour forces, especially youth labour.

31. Since the creation of employment plays a pivotal role in the alleviation of poverty, industrial policies should promote linkages between enterprises in the formal and informal sectors, including transnational corporations.

32. Governments, where appropriate, should cooperate with industry, trade unions and other concerned organizations of civil society in expanding, strengthening and ensuring the sustainability of social security schemes. Governments should also ensure that the benefits of pension systems are secure and transferable between employers. Moreover, Governments, in cooperation with industry, should ensure that such coverage is as broad as possible and, where feasible, based on mandatory worker and employer participation.

33. The fulfilment of greenhouse gas emission reduction targets agreed upon in the Kyoto Protocol to the United Nations Framework Convention on Climate Change[3] needs to be achieved within set time-frames in developed countries. The fulfilment of commitments assumed by different countries, in accordance with the principle of common but differentiated responsibilities, is important.

34. Attention should be given to studies that propose to improve the efficiency of resource use, including consideration of a 10-fold improvement in resource productivity in industrialized countries in the long term and a possible four-fold increase in resource productivity in industrialized countries in the next two or three decades. Further research is required to study the feasibility of these goals and the practical measures needed for their implementation. Industrialized countries will have a special responsibility and must take the lead.

35. The concept of eco-efficiency should not be a substitute for changes in unsustainable lifestyles of consumers, and the pursuit of eco-efficiency also requires enhanced efforts to assist developing countries in their efforts to promote sustainable consumption and production patterns, by improving access to financial resources and environmentally sound technologies.

36. Voluntary initiatives by all subsectors of industry have been a valuable tool in protecting the environment. Governments should continue to encourage voluntary initiatives by industry, in both the formal and informal sectors, including voluntary and transparent codes of conduct, charters and codes of good practice, and the conclusion of voluntary agreements. Effective monitoring and follow-up programmes with stakeholder participation are needed, and industry should provide better and more complete dissemination of information of their voluntary initiatives. In addition, the assessment of progress made throughout a sector or country needs to be facilitated by developing a set of relevant indicators and metrics.

37. In order to strengthen domestic technological capabilities, it is useful for Governments to develop a national science and technology strategy and to support capacity building to promote partnerships with industry. Greater cooperation between industry and public research

and development bodies is needed to develop the skill and knowledge base necessary for a successful domestic technology strategy and the absorption of imported technologies.

38. Technology transfer and cooperation and the development of the human and institutional capacities to adapt, absorb and disseminate technologies and to generate technical knowledge and innovations are part of the same process and must be given equal importance. Governments have an important role to play in providing, *inter alia*, research and development institutions with incentives to promote and contribute to the development of institutional and human capacities.

39. Control and influence over the technological knowledge produced in publicly funded research opens up the potential for the generation of publicly owned technologies that could be made accessible to the developing countries and could be an important means for Governments to catalyse private-sector technology transfers. Proposals for the further study of the options with respect to those technologies and publicly funded research and development activities are welcomed.

40. The Governments of developed countries are invited to encourage private-sector companies in their countries to transfer environmentally sound technologies to developing countries. Such transfers should be underpinned by matching technical assistance and the transfer of education and skills, taking into account the unique circumstances and characteristics of small and medium-sized enterprises.

41. The ongoing process of globalization may bring with it a higher rate of technological progress and diffusion. Innovations in industry and their diffusion will no doubt be among the most important mechanisms for progressively delinking economic growth from environmental degradation. The dynamics of innovation in industry thus deserve careful study so as to determine what triggers innovation and how innovations are taken up by society. Studies are also needed on the possible environmental and social effects of innovation. Policies, including incentives, are needed which can steer innovation and investment in directions conducive to sustainable development.

D. Recommendations for industry

42. Companies can enable consumers to make more informed choices by providing reliable and accurate information on the impacts, and where possible, conditions of production and qualities of products and services, through their marketing and advertising activities, environmental reporting, and improved stakeholder dialogue.

43. Industry and civil society should work with Governments to strengthen secondary, vocational and advanced education and to ensure that it meets the developmental needs of society and the economy. This includes fair treatment of employees and constructive training programmes.

44. Environmentally oriented management should aim at both preventing environmental damage and encouraging sustainable use of natural resources through, for example, more efficient use of energy, water and raw materials; the reduction of emissions into the air, water and soil; the reduction of noise impacts; the reduction of waste; and the development of environmentally sound products and services. Environmental management systems and practices suitable to particular circumstances can enable business to control its environmental impacts and stimulate awareness of sustainability as a key business issue. To maintain and enhance competitiveness over the longer term, companies need to integrate environmental and social sustainability into their strategic planning. This includes developing cleaner products and processes which use resources more efficiently and minimize environmental impacts.

45. Industry should act to improve its environmental performance through appropriate implementation of environmental management systems. For example, transnational corporations should consider setting a time-frame within which to fully implement such systems. At the same time, Governments and industry must also work together to develop policies to ensure that compliance with standards is not too costly or difficult to achieve for companies in developing countries. National certification schemes should be based upon the principles of transparency and non-discrimination and should not be used as non-tariff trade barriers.

46. Large corporations should apply best practice in their own branches, both domestically and abroad. Companies are encouraged to provide environmentally sound technologies, supported by appropriate management techniques and training, *inter alia*, so as to help companies in other countries, particularly developing countries, to develop and implement environmentally sound policies. Those companies and corporations should also be proactive in promoting the implementation of core ILO labour standards.

47. Chambers of commerce and business organizations in developed and developing countries should be encouraged to cooperate in the transfer of technology and in the

development of management tools and institutional frameworks for sustainable development.

48. There is a growing trend among a variety of stakeholders to hold industry accountable and responsible for the environmental impact of its operations and products throughout their entire life-cycle. The industry and business sectors should respond positively to these demands by continuing to develop voluntary codes of conduct, charters and codes of practices. Industry and business should observe these codes when operating in developing countries and in economies in transition, in particular, where environmental enforcement is still being developed.

49. The financial sector has an important role to play in promoting sustainable development. Voluntary commitments and initiatives taken by the financial sector (banks, savings and micro-credit institutions, and insurance companies) which promote sustainable development should be further developed and implemented, and strategies for monitoring progress should be developed. Since financial institutions play an important role in sustainable development in developing countries, their policies may include requirements and incentives to stimulate sustainable development and to report on their progress.

E. Recommendations for the international community

50. The principles of transparency, mutual recognition and non-discrimination, which serve as building blocks for the multilateral trading system, should also serve as basic principles in other areas, such as sustainable development. The development of environmental standards, voluntary codes of conduct and eco-labelling should be viewed as facilitating tools to ensure the fulfilment of environmental objectives, rather than as necessary elements to be checked for the achievement and measurement of sustainability.

51. The international community needs to assist developing countries and economies in transition in their efforts to facilitate their adoption of production technologies that reduce environmental pressures while, at the same time, allowing them to be more competitive in international markets. Therefore, there is a real need to disseminate information about environmentally sound technologies to developing countries on a broader scale. The United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP), United Nations Conference on Trade and Development (UNCTAD) and other relevant agencies should be invited to focus their programmes in order to promote the transfer of environmentally sound technologies, particularly to small and medium-sized enterprises in developing countries.

52. The international community, working notably through the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNIDO, UNEP, other United Nations agencies active in the implementation of chapters 30 and 36 of Agenda 21, and non-governmental organization partners, should strengthen the links between education and industry leading to sustainable development by assisting developing countries in their national efforts to strengthen secondary, vocational and advanced education.

53. When promoting measures favouring eco-efficiency, developed countries should pay special attention to the needs of developing countries, in particular by encouraging positive impacts, and to the importance of avoiding negative impacts on export opportunities and on market access for developing countries and, as appropriate, for countries with economies in transition. Implementation of environmental measures should not result in disguised barriers to trade.

54. Industrialization is a key element in promoting sustainable development in developing countries, particularly in Africa and the least developed countries. It plays an important role in the efforts of those countries to eradicate poverty, create productive employment and integrate women into the development process. The business community, especially the small and medium-sized enterprises, have a particularly important role in enhancing industrialization. There is need for UNIDO, UNEP and other relevant United Nations agencies to enhance their activities in developing and implementing sustainable industrial development strategies, including taking into account the implementation of the Second Industrial Decade for Africa.

55. The international community, UNIDO and other relevant United Nations agencies are encouraged to provide appropriate financial and technical support to enable industries in developing countries to comply with national environmental goals and objectives through strategic environmental policies at the national and subnational levels.

56. FDI can contribute to the achievement of sustainable development. To promote FDI flows to developing countries, in particular to the least developed among them, greater emphasis should be placed by the United Nations system on promotional and information-dissemination activities relating to investment opportunities in the developing countries.

57. There is need for further assessment of the implications of foreign investment for sustainable development, building

on past work and taking into account relevant current activities. Such assessment should take into account all existing relevant activities and processes and build on work undertaken in preparation for the fifth session of the Commission on Sustainable Development. UNCTAD should be invited to investigate the issue and report the results to the Commission at its seventh session. Furthermore, UNCTAD and the World Trade Organization (WTO) should report on their relevant activities.

58. Multilateral financial institutions, through their investment agreements, programmes and projects, should contribute to sustainable development and the use of environmentally sound technologies.

59. Any negotiations on multilateral investment agreements should be participatory, transparent and non-discriminatory. The negotiations of these agreements should include the specific social, economic and environmental needs of developing countries. A multilateral agreement on investments is currently being negotiated in OECD. Without prejudice to the clear understanding in the WTO that future negotiations, if any, regarding a multilateral agreement on investments will take place only after an explicit consensus decision, future agreements on investments should take into account the objectives of sustainable development, and when developing countries are parties to those agreements, special attention should be given to their needs for investment.

60. Full implementation of the recommendations of the World Summit for Social Development[4] would effectively address growing international income disparities among and within countries and the risk that some countries and groups might fall deeper into poverty and exclusion. Policies are needed to implement the commitments expressed in the Copenhagen Declaration[5] to, *inter alia*, expand productive employment, reduce unemployment, enhance social protection and reduce the vulnerability of the poorest groups. The ILO has a central role in monitoring the implementation of relevant labour standards, and in stimulating patterns of economic growth that provide job opportunities. Concerted action by interested countries for the implementation of the 20:20 Initiative is making a significant contribution to some developing countries, particularly the least developed.

61. Development of policies to implement the outcome of the Fourth World Conference on Women, which reaffirmed the advances made at the Conference on Environment and Development and emphasized the need to mainstream a gender perspective into the development agenda, is of great importance.

62. Further work should be undertaken at the international level to develop criteria to improve corporate environmental reporting. UNEP and UNCTAD could take the lead in that respect, in cooperation with other organizations, as appropriate.

63. Reflecting the sectoral focus on freshwater, UNEP, working jointly with other relevant United Nations agencies, should be invited to cooperate with the relevant industry sectors to develop a voluntary statement of business-led commitment on the protection and sustainable management of water resources.

64. The secretariats of international conventions on the environment should consider the need to include technology and other technical information in a "clearinghouse" to facilitate fulfilling the commitments of the conventions.

65. Concern was expressed regarding the impact of the current intellectual property regime and the need for protection of intellectual property rights in the transfer of environmentally sound technologies. The international community should promote, facilitate and finance, as appropriate, access to and transfer of environmentally sound technologies and the corresponding know-how, in particular to developing countries, on favourable terms, including concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries for the implementation of Agenda 21. Current forms of cooperation involving the public and private sectors of developing and developed countries should be built upon and expanded. It is important to identify barriers and restrictions to the transfer of publicly and privately owned environmentally sound technologies with a view to reducing such constraints, while creating specific incentives, fiscal and otherwise, for the transfer of such technologies.

66. South/South cooperation is an important instrument for facilitating the diffusion of technology and industry, and as a complement to North/South relations. South/South cooperation could be further strengthened through such innovative mechanisms as trilateral arrangements. Such mechanisms should be supported as an important means of achieving sustainable development and the alleviation of poverty. UNEP, UNIDO and other relevant United Nations agencies should be invited to sustain and strengthen their programmes that promote the transfer of environmentally sound technologies, particularly to small and medium-sized industries in developing countries. Regional cooperation should also be encouraged and strengthened.

F. Future work

67. Relevant international organizations should study the different voluntary schemes that have been formulated with regard to industry, the effects of the technologies used to cope with problems, and the prospects for introducing them elsewhere. It is important that, where necessary, they should create a framework to support the strengthening of efforts by the industry side.

68. The Commission should consider, with industry, how follow-up to the dialogue established with industry might be maintained and developed to ensure effective and continuing contributions from industry to the Commission's work programme. In so doing, the Commission should also consider how industry, through its international and sectoral organizations, should be consulted and associated with the follow-up to that dialogue. The Commission should, in cooperation with other relevant intergovernmental bodies, industry, trade unions, non-governmental organizations and other major groups, establish a process to review the effectiveness of voluntary initiatives intended to promote sustainable and equitable business practices. It is also important that the Commission continue to address the role of industry in sustainable development in the context of different sectoral and cross-sectoral themes allocated for its future sessions. The result of work undertaken in the follow-up to the Joint Statement on Common Interests by the Secretary-General of the United Nations and the International Chambers of Commerce could be taken into account in further dialogue with industry in the Commission.

69. Governments and industry should be encouraged to improve, in general, their reporting of progress in voluntary initiatives and environmental protection and, in particular, as a follow-up to the industry segment at the sixth session of the Commission. Such reporting and follow-up activities should have the active involvement of the Commission, UNEP, UNCTAD, UNIDO and others – for example, the International Chambers of Commerce and the World Business Council on Sustainable Development, at the international level, and trade associations at the subsectoral level. The involvement of trade associations at the subsectoral level may be useful for ensuring better reporting in key subsectors such as energy and transport, mining, cement, paper and pulp, iron and steel, and chemicals. Discussion of changing consumption and production patterns at the seventh session could provide the first opportunity for such enhanced voluntary reporting.

III. Guidelines for sustainable consumption

70. Since their adoption in 1985, the United Nations guidelines for consumer protection[6] have assisted countries in developing and strengthening national consumer protection policies. There is now a need to extend the guidelines to reflect new understandings of the importance of sustainable development and of the links between consumption and production patterns and the environment.

71. Governments, business and industry, and consumers share responsibility for promoting sustainable consumption patterns. Governments should establish frameworks of national consumer policies and should set an example of sustainable consumption through their own procurement and other activities. Business and industry should be encouraged to provide consumers with information on their activities, including environmental and social assessments, to enable consumers to make informed choices of goods and services. The elaboration of guidelines on sustainable consumption can assist Governments in developing national consumer policies in these and other areas.

72. Consumption and production patterns will be the cross-sectoral theme of the Commission at its seventh session, in 1999.

73. The holding of the Interregional Expert Group Meeting on Consumer Protection and Sustainable Consumption (São Paolo, Brazil, 28-30 January 1998), as called for by the Economic and Social Council in resolution 1997/53, and its report (E/CN.17/1998/5) are noted with appreciation. The proposed new elements for guidelines on sustainable consumption prepared by the São Paolo Expert Group Meeting provide a good basis for further work and need to be considered in detail.

74. Further consideration of the process for elaborating guidelines for sustainable consumption, as part of the United Nations guidelines for consumer protection, should be undertaken by the Commission at its sixth session. The Commission should consider how to proceed with a detailed consideration of new guidelines and report to the Economic and Social Council at its 1998 substantive session, as requested in resolution 1997/53.

IV. Organizational matters

A. Opening and duration of the session

75. The Inter-sessional Ad Hoc Working Group on Industry and Sustainable Development of the Commission on Sustainable Development met in New York from 2 to 6 March 1998, in accordance with Economic and Social Council resolution 1997/63 of 25 July 1997. The Working Group held 9 meetings (1st to 9th meetings).

76. The meeting was opened by the temporary Chairman, Ms. Marta Inés Galindo (Colombia), Vice-Chairman of the Commission on Sustainable Development.

B. Attendance

77. The session was attended by representatives of 40 States members of the Commission on Sustainable Development. Observers for other States Members of the United Nations and the European Community, representatives of organizations of the United Nations system and observers for intergovernmental and non-governmental organizations also attended. A list of participants is given in the annex below.

C. Election

78. At the 1st meeting, on 2 March 1998, the Working Group elected, by acclamation, Mr. Michael Odevall (Sweden) and Mr. Antonio Fernando Cruz de Mello (Brazil) as Co-Chairmen.

79. At the same meeting, the Co-Chairman made an introductory statement.

D. Agenda and organization of work

80. At the 1st meeting, on 2 March 1998, the Working Group adopted its provisional agenda, contained in document E/CN.17/ISWG.II/1998/1, and approved its organization of work. The agenda read as follows:

1. Election of officers.
2. Adoption of the agenda and other organizational matters.
3. Industry and sustainable development.
4. Guidelines for consumer protection.
5. Other matters.
6. Adoption of the report of the Working Group.

E. Documentation

81. The Working Group had before it the following documents:

(a) Report of the Secretary-General on industry and sustainable development (E/CN.17/1998/4);

(b) Report of the Secretary-General on industry and sustainable development: industry and economic development (E/CN.17/1998/4/Add.1);

(c) Report of the Secretary-General on industry and sustainable development: industry and social development (E/CN.17/1998/4/Add.2);

(d) Report of the Secretary-General on industry and sustainable development: industry and environmental protection (E/CN.17/1998/4/Add.3);

(e) Report of the Secretary-General on consumer protection: guidelines for sustainable consumption (E/CN.17/1998/5).

F. Adoption of the report of the working group

82. At the 9th meeting, on 6 march 1998, the Working Group had before it the draft report (E/CN.17/ISWG.II/1998/L.1 and E/CN.17/ISWG.II/1998/CRP.2) and an informal paper.

83. At the same meeting, the Working Group took note of the informal paper and adopted its report.

Notes

[1] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigenda), resolution 1, annex II.

[2] Ibid., annex I.

[3] Adopted at the third session of the Conference of the Parties, on 11 December 1997.

[4] See *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8).

[5] Ibid., chap. I, resolution 1, annex I.

[6] General Assembly resolution 39/248, annex.

Annex

List of participants

Members

Antigua and Barbuda:

Australia: JoAnne DiSano, Kerry Smith, Emma Ferguson, Kylie Oakes-Ati, Amanda Hawkins

Bahamas: Maurice E. Moore, Sharon Brennen-Haylock, Sandra P. Carey, Allison P. Christie

Bangladesh: Anwarul Karim Chowdhury, F. A. Shamim Ahmed, Muhammad Ali Sorcar

Belgium: Alex Reyn, Jan Verschooten, Marc Gedopt, Remy Merckx, Joseph-Simon Smitz, Hugo Brauwers, Johan Debar, Jan de Mulder

Benin: Fassaddi Adam Yacoubou, Rogatien Biaou, Samuel Amehou, Charles Borromee Todjinou, Thomas D'Aquin Okoudjou, Thomas Guedegbe, Paul H. Houansou

Bolivia: Alberto Salamanca, Estela Mendoza, Gustavo Claros

Brazil: Enio Cordeiro, Antonio Fernando Cruz de Mello, Eduardo Carvalho, Carlos Alberto Michaelsen den Hartog

Bulgaria: Vladimir Sotirov, Zvetolyub Basmajiev,

Burundi: Gamaliel Ndaruzaniye, Jean-Baptiste Hajayandi

Canada: Richard Ballhorn, Ken MaCartney, Brigita Gravitis-Beck, Denis Chouinard, Yvan Jobin, Renée Sauvé, Guy Rochon, Carol Smith-Wright, Veena Halliwell, Andrew Kenyon, Kevin Wisener, David Malone, Barry Burciul, James Riordan, Linda Dunn, Janet Stephenson, Tim Hodges

Central African Republic:

China: Zhang Yue, Cai Lijie

Colombia: Julio Londono Paredes, Jairo Montoya Pedroza, Martha Galindo, Maria Andrea Alban

Djibouti:

Egypt: Nabil Elaraby, Hussein Ehsan El-Atfy, Adel Abdellatif, Mohamed Fattah

Ethiopia: Mohammed Duri, Berhanemeskel Nega, Meheret Getahoun, Bisrat Gidey K. Mariam

Finland: Taisto Huimasalo, Risto Ranki, Asko Luukkainen, Antero Honkasalo, Marit Huhta, Jorma Suvanto, Salla Korpela, Jukka Uosukainen, Hanelle Nyroos, Marjo Nummelin

France:

Gabon:

Germany: Gerhard Henze, Cornelia Quennet-Thielen, Wolfgang Runge, Rainald Roesch, Knut Beyer, Karsten Sach, Hans-Joachim Kampe, Elfriede Bierbrauer, Carola Schmidt, Peter Christmann, Jurgen Wenderoth, Claudia Warning, Wolfgang Grabs, Bernd Schleich, Luiz Ramalho, Frank Schulte

Ghana:

Guyana: S. R. Insanally, G. Talbot, K. Simon

Hungary: Mr. Csaba Nemes, Sándor Mózes

India:

Indonesia: Arizal Effendi, Mochammad Slamet Hidayat, Bagas Hapsoro, Sidharto Reza Suryo-di-Puro

Iran (Islamic Republic of): Bagher Asadi, Mohammad Reza Hadji Karim Djabbari, Esmail Tekyeh Sadat

Ireland: Dympna Hayes, Damien Boyle

Japan: Wataru Nishigahiro, Hideki Ito, Yasufumi Enomura, Masahiko Tanoi, Hidefumi Kurasaka, Hirotsugu Ikeda, Akikazu Adachi, Takemasa Minemoto, Nobumasa Nakashima, Kiyofumi Kobayashi, Yutaka Yoshino

Mexico: Manuel Tello, Cesar Herrera Toleda, Gerardo Lozano, Roberto Cabral, Francisco Giner, Ramon Benitez, Veronique Deli, Sandra Pina, Ulises Canchola, Mirella Areyzaga, Bertha Elena De Buen, Ruben Barocio Ramirez

Mozambique:

Netherlands: Pieter Verbeek, Maarten de Hoog, Ron Lander, Vincent van den Bergen, Albert van der Beesen, Gerard Broseliske, Daniel Pietermaat, Jeroen Steeghs, Herman Verheij, Karin Wester, Linda Docter

Niger:

Pakistan:

Panama: Judith M. Cardoze

Papua New Guinea: Utula U. Samana, Jimmy U. Ovia, Adam V. Delaney

Peru: Marcela Lopez Bravo de Ruiz, Italo Acha

Philippines:

Poland: Wojciech Ponikiewski, Jacek Jaskiewicz

Russian Federation: Nikolai V. Tchoulkov, Aleksandr Grachev, Vassili Nebenzie, Dmitry Maksimitchev, Sergei Fedotov

Saudi Arabia: Ali Bahaitham, Ahmed ElDahry

Senegal:

Slovakia: Jozef Klinda, Kamil Vilinovic

Spain: Inocencio F. Arias, Arturo Laclaustra, Amparo Rambla, Francisco Rabena, Marta Betanzos, Manuel Varela

Sudan: Elfatih Erwa, Mubarak Ramtalla, Daffa-Alla Alhag Ali Osman, Omer Dahab Fadol Mohamed, Tarig Ali Bakhit, Mohamed Mustafa M. Ahmed

Sweden: Michael Odevall, Hans Lundborg, Per Tegner, Anders Berntell, Mats Ekenger, Sofie Nordstrom, Per Augustsson, Pia Lovkvist, Ingvar Andersson

Switzerland: Livia Leu Agosti

Thailand: Charivat Santaputra, Prasert Tapaneeyangkul, Manop Mekprayoonthong, Arunrung Phothong

Ukraine: Volodymyr M. Reshetnyak

United Kingdom of Great Britain and Northern Ireland: Sheila McCabe, Peter Gooderham, Ian Symons, Alan Simcock, Scott Ghagan, Alistair Wray, Richard Dewdney, Michael Massey, David Dunn, Robert Baldi, Alasdai Wardhaugh, Peter Dearden, David Townsend, Chris Tompkins

United States of America: Mark G. Hambley, Betty King, Adela Backiel, Donald Brown, Ann Carey, James Freud, Donald Burgess Laird, Deborah Linde, John Matuszak, Wendy McConnel, Lynette J. Poulton, Seth Winnick, Kirk Barrett, William Breed, Ronald Hoffer, Timothy Kasten, Gerry Dell Priscoli, Jane Siegel, Sandra Smithey, Zell Steever, Gail Karlsson, Norine Kennedy, Thomas Rogers

Venezuela:

Zimbabwe: Machivenyika T. Mapuranga, Alfred Mutiwazuka, Sibokile Mtetwa

States Members of the United Nations represented by observers

Algeria, Argentina, Austria, Chile, Côte d'Ivoire, Cuba, Denmark, Ecuador, El Salvador, Greece, Guatemala, Italy, Jamaica, Jordan, Kenya, Malta, Malaysia, Monaco, Morocco, Namibia, New Zealand, Nigeria, Norway, Republic of Korea, Slovenia, Syrian Arab Republic, Tunisia, Turkey, Uruguay.

Entities represented by observers

European Community

Intergovernmental organizations

Agency for Cultural and Technical Cooperation, Organisation for Economic Cooperation and Development

Specialized agencies and related organizations

United Nations Educational, Scientific and Cultural Organization; World Health Organization; United Nations Industrial Development Organization

Non-governmental organizations

General consultative status with the Economic and Social Council: Franciscans International, International Chamber of Commerce, International Confederation of Free Trade Unions, World Wide Fund for Nature International

Roster or accredited to the Commission on Sustainable Development: Alliance to End Childhood Lead Poisoning, Alliance of Northern Peoples for Environment and Development, Association of the Bar of the City of New York, Earth Council, Friends of the Earth, Institute for Agriculture and Trade Policy, International Institute for Sustainable Development, Netherlands Committee for IUCN, The Other Economic Summit, United Nations Environment and Development – UK Committee, Women's Environment and Development Organization, World Sustainable Agriculture Association, Zero.